EXHIBIT NO. 1

DATE 3-17-09

RELIND #B331

Beaverhead Big Horn Blaine **Broadwater** Carbon Carter Cascade Choteau Dawson **Fergus Flathead** Gallatin Garfield Golden Valley Hill **Jefferson Judith Basin** Lake Lewis & Clark



Lincoln Madison Meagher Missoula Musselshell Park Petroleum Pondera **Prairie** Ravalli Rosebud Sanders Sheridan Silverbow Stillwater Teton Valley Wheatland Yellowstone



Annual cost to state mandate at local level:

\$2,675,563

Amount Reimbursed by License Fees:

\$ 630,530

Unfunded costs borne by Counties:

Average percentage of cost reimbursed: 24%

"One quarter on the dollar"

These local tax dollars COULD have provided:



- full-time public health nurses
- ALL immunizations for ≥ 200 kids (Ages 0 – 18)
- childhood immunizations per year
- adult immunizations per year

Survey by AMPHO, 2008: Results based on response by 38 counties representing 67% of counties and 90% of state population

1645 Parkhill Dr, Suite 6 Billings, MT 59102-3067 406-256-1005 Fax - 406-256-0785 1-800-388-0236

MONTANA RESTAURANT

Membership Application

DBA Name	:					
ncorporated	-					
Physical Ad				Suite	#	
City, State:					<u>-</u>	
Mailing Add	dress:				#	
City, State:						
Phone numb						
ax number	••					
Owner Nam	ne(s):					
Manager Na	ame(s):					
ed Tax ID	#:		Annual Gross Sales	s:		
of Locatio		loyees:		none	beer/wine	full
	GORIES — indicate all that				/ D :	
Fine D	0	Casual / Family D	_	Quick Serv		
Bar / C	Catering	Hotel / Motel Foo Tavern / Micro Br			ub / Fraternal al / commercial	
	er / Wholesaler		eify: ethnic, etc):	***************************************		
	ription of your business:	other (preuse spee	,, cumic, c.c)			
Billing (month each year to b	ill my renewal duese			
Dining (option.	. monui each year to t	oni my fenewai dues.			
	Dues Schedule			Payment	Ontions	
ze	Gross Sales	Dues				
rge 6	\$40-50 Million	\$5000	My check is		Amount: _	
-	ψ IO JO IVIIIIOII	\$2000	Charge mir	credit card: V	Lica/MC Amov	Discove

	Dues Schedule	
Size	Gross Sales	Dues
Large 6	\$40-50 Million	\$5000
Large 5	\$30-40 Million	\$4000
Large 4	\$20-30 Million	\$3000
Large 3	\$10-20 Million	\$2000
Large 2	\$5-10 Million	\$1500
Large 1	\$3-5 Million	\$1100
Large	\$2-3 Million	\$ 880
Med-Large	\$1-2 Million	\$ 660
Medium	\$500,000 - \$1Million	\$ 440
Med-Small	\$250,000 - \$500,000	\$ 330
Small	\$150,000 - \$250,000	\$ 220
Minimum	Under \$150,000	\$ 140

Payment Options							
My check is enclosed	Amo	unt: _					
Charge my credit card:	Visa/MC	Amex	Discover				
Signature:	Ex ₁	p Date: _					
Printed Name:							

All Dues Investment Amounts are payable within 30 days of the Invoice Date. Dues to MTRA are not deductible as a charitable contribution, but may be deductible as an ordinary and necessary business expense. 15% of the dues assessed annually are non-deductible for federal tax purposes under Sec. 162(e)(2) because they are allocated for lobbying activities. Your payments to us are NOT subject to backup withholding. Our Federal Tay ID# is \$1-0293490

Our red	ciai tax ID# i	3 01-02234	70.	
Sales A	Agent or Offic	ce Use Onl	y	
Association Sales Rep	or Agency	-		
Benefit Interest:	WC	GF	CC	

All information is considered CONFIDENTIAL and is not supplied to any outside company. Membership lists are made available on request to members and endorsed benefit program providers. For a list of endorsed providers, please refer to our member benefit information.

Survey Summary 1-30-09 Final COUNTY	14 Choteau	15 Dawson	16 Flathead	17 Gallatin	18 Garfield	Hill	20 Jefferson	21 Lake	22 Lewis & Clark	23 Lincoln	24 Madison	25 Meagher	26 Missoula	27 Park
POPULATION * % POPULATION OF MT FISCAL YEAR	5,254 0.5% 2008	8,558 0.9% 2008	86,844 9.1% 2008	87,359 9.1% 2008	1,215 0.1% 2008	16,568 1.7% 2008	11,121 1.2% 2008	28,438 3.0% 2008	59,998 6.3% 2008	18,885 2.0% 2008	7,426 0.8% 2008	1,900 0.2% 2008	105,650 11.0% 2008	16,099 1.7% 2008
PERSONNEL COSTS Sanitarian FTE	4,320 0.055	41,600	163,136 3.2	83,536	2,400	16,200 0.33	4	44,616	152,220 2.75 6.234	43,543	18,620 0.34	1,720	251,872 4.14	25,121 0.52
Admin Support Stati FTE Supervisor		7	22,500 0.8 22,500	0.65 0.65 62,568		ı ı		0.20	0.14	0.5	0.19	•	0.8 0.8 41,385	
FIE Director FTE	ı	ŧ	9,196 0.1	15,951	ı	٠	,	18,478 0.33					4,725	
Total Personnel Costs Total FTE	\$ 4,320 0.055	\$ 65,686 2	\$222,767 4.4	\$ 191,506 3.621	\$ 2,400 \$ 0.05	16,200 0.33	, 0 &	\$ 68,395 1.53	\$ 158,454 2.89	\$ 57,718 1.5	\$ 26,620 \$ 0.53	\$ 1,720 0.03	\$327,942 5.49	\$ 25,121 0.52
OPERATION COSTS Mileage/Fuel Charges Materials & Supplies		2,808	6,200	14,228	ı	2,000	1 1	1,500	1,484 7,248	4,277 3,193	1,200	800 100	11,390 3,141	; 1
Kent I.T. Costs/Surcharges Contracted Sensites		ı	6,500		ı	300	9.985	i	9,460 10,401	•	•	ı	10,420	t I
osts	06 \$	1,017	3,000	30,726	\$ - -	3,300	1 11	\$ 2,000	12,147 \$ 40,760	1,247	\$ 2,200 \$	006 \$	12,159 \$ 37,110	٠ .
REVENUE License Revenue State Local Fees Total Revenue	3,700	3,154 370 \$ 3,524	84,000 11,000 \$ 95,000	43,092 18,070 \$ 61,162	712	7,000	5,273 - \$ 5,273	12,318	31,288 15,049 \$ 46,337	18,728	15,000	1,982	79,276 33,556 \$112,832	25,121
DATA ANALYSIS Total Cost to County Cost covered by State Fee Cost covered by Total Revenue	\$ 4,410 84% 84%	\$ 70,101 4% 5%	\$252,367 33% 38%	\$236,460 18% 26%	\$ 2,400 \$ 30% 30%	19,500 36% 36%	\$ 9,985 53% 53%	\$ 70,395 17% 17%	\$ 199,214 16% 23%	\$ 66,435 28% 28%	\$ 28,820 \$ 52% 52%	\$ 2,620 76% 76%	\$365,052 22% 31%	\$ 25,121 100% 100%
Local Tax Dollars Spent	\$ 710	\$ 66,577	\$ 157,367	\$ 175,298	\$ 1,688 \$	\$ 12,500	\$ 4,712	\$ 58,077	\$ 152,877	\$ 47,707	\$ 13,820	\$ 638	\$ 252,220	, &

	730 90% of population 68% of counties		\$ 2,260,517		630,530 Fees Rec'd 82,395 712,925	\$ 2,675,563 \$ 2,675,563 \$ 2,675,563 Local Costs 24% Reimbursed 27% \$ 1,962,637 \$Local Tax
TOTALS	866,730 90% 68 %	1,619,885 31.90 237,012 7.18 298,027 4.49 105,594	\$ 2,260,517 45.07	97,802 59,722 38,815 40,578 47,499 130,629 \$ 415,045	630,530 82,395 \$ 712,925	\$ 2,675,563 \$ 2,675,563 24% 24% 27% \$ 1,962,637
38 Yellowstone	139,936 14.6% 2008	278,907 4.96 17,618 0.5 38,958 0.5 23,904	359	27,337 10,174 - 6,967 54,741 99,219	70,617 2,800 73,417	458,607 15% 16% 385,190
37 Valley Y	6,899 0.7% 2007	5,902	5,902 \$	520 250 - - 770 \$	6,200	6,672 \$ 93% 93% 472 \$
36 Teton	6,023 0.6% 2008	5,846	5,846 \$ 0.17	1,065 250 - 150	4,829	7,311 \$ 66% 66% 2,482 \$
35 Stillwater	8,660 0.9% 2008	45,484 1 25,620 0.66 65,594	136,698 \$ 2.66	1,600 1,712 12,000 - - 15,312 \$	7,855	152,010 \$ 5% 5% 144,155 \$
34 Silverbow S	32,652 3.4% 2008	60,608 1.25 1,832 0.05 1,410 0.02 1,546	1.3	1,313 1,000 3,300	21560 1250 22,810 \$	71,009 \$ 30% 32% 48,199 \$
33 Sheridan S	3,373 0.4% 2008	5,904 0.09	5,904 \$ 0.09	150	2,269	6,054 \$ 37% 37% 37% 3,785 \$
32 Sanders	11,033 1.2% 2008	48,576 1 8,275 0.25 13,485	70,336 \$ 1.5	4,047 250 - 1,500	13,500	76,133 \$ 18% 18% 62,633 \$
31 Rosebud	9,182 1.0% 2008	28,800	\$28,800 \$ 0.6	200	415	\$30,000 \$ 1% 1% \$29,585 \$
30 Ravalli	40,396 4.2% 2008	43,881 7,255 0.25 14,200 15,436	\$ 80,771 1.8	3,837 5,664 2,103 360 \$ 11,964	33,050 300 \$ 33,350	\$ 92,735 36% 36% \$ 59,385
29 <i>Prair</i> ie	1,044 0.1% 2008		- 0	8,514	1,007	\$ 8,514 12% 12% \$ 7,507
28 Pondera	5,943 0.6% 2008	5,846 0.17 -	\$ 5,846 0.17	1,065 200 - 150 - 1,415	4,800	7,261 66% 66% 2,461
Survey Summary 1-30-09 Final COUNTY	POPULATION * % POPULATION OF MT FISCAL YEAR	PERSONNEL COSTS Sanitarian FTE Admin Support Staff FTE Supervisor FTE Director FTE	Total Personnel Costs Total FTE	OPERATION COSTS Mileage/Fuel Charges Materials & Supplies Rent I.T. Costs/Surcharges Confracted Services Other Costs Total Operations Costs	REVENUE License Revenue State Local Fees Total Revenue	DATA ANALYSIS Total Cost to County Cost covered by State Fee Cost covered by Total Revenue Local Tax Dollars Spent



BUTTE-SILVER BOW HEALTH DEPARTMENT

Rick Larson, Director of Public Health

25 West Front Street Butte, Montana 59701

Office Number: (406) 197-5026 Fax Number: (406) 723-7245

Dear Senator Joe Balyeat:

The Butte Silver Bow Health Department is respectfully requesting your support for HB331. HB 331 would authorize and set rule-making parameters for the Department of Public Health and Human Services to establish fees for the licensing and inspection of food establishments, public accommodations, trailer parks, and campgrounds (These establishments fall under the Food and Consumer Safety Program). State statue currently sets the license and inspection fees for these programs. Administrative rule-making would address the following longstanding problems associated with the current fee structure:

- Fees are inequitably assessed
- Majority of costs are being paid by local governments
- Fee structure threatens public health.

At the present time the Butte Silver Bow Health Department is required under state law to operate a Food and Consumer Safety Program. The Food and Consumer Safety Program duties are to inspect the establishments, educate the operator, and enforce state law. The program is critical in preventing food borne illnesses, protecting the food supply, and protecting the consumer.

The Butte Silver Health Department receives approximately \$20,000 from the state. The cost to administer an appropriately funded program was determined to be \$120,000 per year.

Thanks you for your time.

Sincerely

Dan Powers, R.S.

Assistant Health Director

Sincerely

John Rolich, R.S.

Food and Consumer Safety Program Manager

CC: Senator Jim Keane





BCC 2009-050 March 12, 2009 PHONE: (406) 258-4877 FAX: (406) 721-4043

Senator Joe Balyeat, Chair Senate Business, Labor and Economic Affairs Committee

RE: Support for HB 331: Revising Laws Related to Licensed Establishments

Dear Senator Balyeat and Committee Member:

We strongly support, and urge your support of, Representative Morgan's House Bill 331 regarding licensed establishment fees. Our local City-County Health Department annually spends over \$250,000 in City and County tax dollars to comply with this unfunded mandate.

We need relief from this reimbursement scheme which covers only 25% of our costs and robs local tax coffers at the expense of other public health services. In fact, it appears that this unfunded mandate violates MCA §1-2-112(1) and (2)(b).

Further benefits of placing the fee-setting in administrative rule include:

- Correct the current inequity of fee assessment among the broad range of types and sizes of licensed establishments which now all pay a one-size-fits-all fee.
- Require notification of all licensees when rule-making ensues.
- Provide a forum and opportunity for participation of all parties for costing-out, verifying and assessing fees, similar to that which is done with many other state and local fees

We urgently request your support of HB 331 and we are committed to participating constructively in a rule-making process that can more fairly set fees.

MAYOR OF MISSOULA

John/Engen

Sincerely,

BOARD OF COUNTY COMMISSIONERS

Bill Carev. Chair

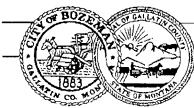
Jean Curtiss, Commissioner

Michele Landquist, Commissioner

BCC/JE/ppr

cc: Ellen Leahy, Director, City-County Health Department

"Committed to the protection and promotion of public health"



Gallatin City-County Health Department

Human Services
215 W. Mendenhall, Rm 117
Bozeman, MT 59715-3478
(406) 582-3100 • Fax (406) 582-3112

Environmental Health Services 215 W. Mendenhall, Rm 108 Bozeman, MT 59715-3478 406-582-3120 • Fax: 406-582-3128

March 4, 2009

Senator Joe Balyeat, Chair Business, Labor and Economic Affairs Committee

Dear Chairman Balyeat:

The Gallatin City-County Health Department strongly supports HB331 and urges the Business, Labor and Economic Affairs Committee to favorably receive this important legislation. The Montana Association of Counties (MACo) and the Gallatin County Commission also support this bill. Please read the fact sheet created by the Association of Montana Public Health Officials (AMPHO) to understand the important matters addressed by this bill.

In FY08, Gallatin County had to use approximately \$93,000 of local tax dollars to pay for the cost of implementing this State mandated program. Those diverted tax dollars could have been used to pay for other local public health initiatives or programs that would benefit the citizens of Gallatin County.

HB 331 would allow other program inequities to be addressed in the rule making process. Currently, all food establishments with 3 or more employees pay the same licensed fee. However, the relative risk to public health and the time to perform inspections is not equally shared between establishments. For example, a tavern or convenience store can be inspected rather quickly and easily whereas a large restaurant with a complex menu or a grocery store with multiple departments pose a much higher public health risk and takes considerably longer to inspect than the tavern. However, their license fee is the same. If passed, HB331 will set a rule making process where the fees can be more equitably distributed and based on available information.

It is the duty and privilege of the Gallatin City-County Health Department to serve the citizens of Gallatin County. HB331 will improve upon the ability of local health departments to perform that service by putting diverted resources back to work in the community. Please support HB 331.

Sincerely.

Stephanie Nelson

Gallatin County Health Officer



March 16, 2009

The Honorable Joe Balyeat, Chairman Senate Business, Labor and Economic Affairs Committee Montana State Senate PO Box 200500 Helena, MT 59620-0500

RE: HB 331 – Revising Laws Related to Licensed Establishments for Health Purposes

Dear Chairman Balyeat and Members of the Senate Business, Labor and Economic Affairs Committee:

On behalf of RiverStone Health, Yellowstone County's public health organization, I urge your favorable consideration of HB 331 – Revising Laws Related to Licensed Establishments for Health Purposes. This bill allows for license fees for food service establishments, trailer courts and public accommodations to be established by rule instead of by statute.

So that we can adequately protect the health of the public and fully meet the needs of licensed establishment operators, a licensed establishment program must go beyond routine inspections. Current licensing fees do not cover all that is required for program compliance. Education, follow-up inspection, community complaint investigation, illness outbreak investigation, and enforcement are all vital components in monitoring, diagnosing and investigating public health concerns.

In 2008, the cost to run the licensed establishment program in Yellowstone County was nearly \$460,000 of which only 15%, or just over \$73,000, was provided through license fees; leaving local taxpayers picking up \$385,000 for this state mandated program. Last year, 5 FTEs provided 1580 inspections and conducted 53 training classes.

Last year was a good year with few disease outbreaks thus education, inspection, and enforcement activities could be characterized as "normal". 2006 was not a normal year as we experienced a community-wide norovirus outbreak. Throughout the outbreak, nearly 1200 people reported becoming ill and RiverStone Health completed food histories on each person as part of the investigation. The investigation, enforcement and education activities focused the efforts of 19 staff people for 79 days at a direct cost of over \$75,000; \$2,000 over the amount of revenue collected from all license fees in Yellowstone County.

Were we only to rely on the revenue collected from licensing fees, our 2006 norovirus outbreak would have been our sole focus of that year. As this situation clearly demonstrates, local tax dollars significantly supplement the costs of performing the duties associated with the state mandated licensed establishment program. These are local dollars which could otherwise be spent to provide additional needed community-wide public health services such as immunizations and health promotion and disease prevention activities.



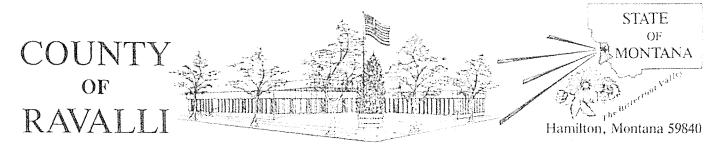
We are not asking that licensing fees cover the costs associated with the disease outbreaks like the one previously mentioned, just that the fees be established by rule thus enabling licensed establishment program fees that are equitable and based on the activities needed to take a comprehensive approach in protecting the health of our community.

I urge your support of HB 331 which enables local health departments to better meet the public health needs of our communities. I look forward to working with you on this and other important public health measures. If you have any questions, please do not hesitate to contact me at <u>barbara.sch@riverstonehealth.org</u> or 651-6420.

Sincerely,

Barbara Schneeman, Director Communication & Advocacy

Cc: Representative Penny Morgan



Senator Joe Balyeat, Chair Senate Business, Labor and Economic Affairs Committee PO Box 200401 Helena, MT 59620-0401 March 16, 2009

Dear Senator Balveat, Chair, and Members of the Committee:

Ravalli County supports House Bill 331. The purpose of House Bill 331 is to authorize and set rule-making parameters for the Department of Public Health and Human Services to establish fees for the licensing and inspection of food establishments, public accommodations, trailer parks, and campgrounds.

The approximate 40,000 residents of Ravalli County comprise over 4% of Montana's population. It costs Ravalli County about \$90,000 each year to conduct our licensed establishment program. In 2008, we generated about \$30,000 from fees. This covered only 37% of our costs in administering our program. Therefore, in 2008, \$59,385 of tax payer money was spent to supplement the cost of the program in Ravalli County. Our three year average (2006-2008) revenue from this program was only about \$20,000, covering only 22% of our cost. Our revenues from this program are so poor compared to the cost of administering the program, the Board of County Commissioners actually considered severing the contract with the State of Montana.

Allowing local regulators to participate in the rule making process by taking these fees out of statute and placing them into rule is invaluable. This legislation would also allow for a greater assessment of the actual cost of protecting public health through the licensed establishment program. Also of note is that all other fees, local or other, are set in rule as opposed to statute, as are fees in other states. Having the fees established in rule also helps avoid "one-size fits all" fees for our diverse counties.

Finally, this program is essential to protecting public health. Through this program, our food supply is protected and many foodborne illnesses are prevented through proper training of food handling. Consumers continue to be protected from unsanitary conditions in public establishments by the enforcement of public health laws surrounding drinking water, sewage disposal, and pest control. Adequate funding of this program will ensure the licensed establishment program will be a high priority.

Thank you for your consideration of our comments. We urge you to support House Bill 331.

Sincerely,

RAVALLI COUNTY BOARD OF COUNTY COMMISSIONERS

Carlotta Grandstaff, Chairman

James E Robosch Vice-Chairman

JR Imán, Member

irel Chilcott. Member

Kathleen Driscoll, Member



Lake County Commissioners

4068837205

106-883-7204

Fax (406) 883-7283

106 4th Avenue East

March 5, 2009

Chairman Joe Balyeat, Chair Senate Business, Labor, and Economic Affairs Committee P.O. Box 200500 Helena, Montana 59620-0500

Post-it* Fax Note	7671	Date 3/10/09 pages >
TO Erin Firch	ham	From S Brueageman
Co./Dept.		CO.LOCH US
Phone #		Phone #406-883-7236
Fax #406.443.	-1592	Fax# 406-883-7205

LETTER OF SUPPORT - House Bill 331 - Revise Laws Relating to Licensed Establishments for Health Purposes RE:

Dear Schator Balyeat, Chair, and Members of the Committee:

The purpose of House Bill 331 is to move Montana Department of Health and Human Services licensing fees from statute into rule. Licensed establishments include food service establishments, food manufacturing establishments, trailer parks, campgrounds, and public accommodations. Establishing fees in rule will allow for a statewide conversation between industry, consumers, and state and local government on the categories of establishments and the correct level of fees to fund the required inspections.

Lake County SUPPORTS this legislation:

- 1. Current Licensing Fees Are Generally Inadequate and Inequitable Lake County has about 300 licensed establishments. Our inspection program costs \$70,000 annually with about 20% being reimbursed by fees. This leaves 80% of the program funded by either the county taxpayer or by other programs such as septic system permitting or subdivision review. With the slowdown in construction, both subdivision and septic system revenues are diminishing. While Lake County acknowledges the licensed establishment program has broad public health benefit, a more equitable percentage of the inspection costs of the program should be borne by the license fees.
- 2. Legislative Process Is Problematic in Setting Equitable Fces: Trying to change license fees to reflect inspection program costs and to be equitable between types of establishments has been problematic through the legislative process. There have been multiple legislative efforts, including use of the state Consensus Council, that have been unsuccessful in providing either adequate or equitable fees. These discussions are best addressed through rulemaking where both government and industry can have in-depth, state-wide collaboration to find the most equitable means to set fees.
- Adequate License Fees Provide Benefits to Establishments: The licensed establishment program provides multiple direct benefits to licensees; adequate fees assure a competent program. Licensing provides assurance to the public that the establishment meets public health and safety standards, provides response to cases of food or water-borne illness that may limit liability of the establishment, provides educational public health and safety programs, and serves as a resource for a variety of current industry information. Adequate funding of the licensed establishment inspection program will assure more priority is given these essential services. This added priority will bring better compliance oversight and assure public health and safety.
- 4. License Fees Should be Located in Rule: Statutes are intended to provide overarching policy and regulation while rules are intended to address administrative and regulatory details that may change over time. License fees should be located in rule to allow for the flexibility to respond to changes in types of establishments and in costs to state and local government to administer these programs.

Thank you for your consideration of Lake County's comments urging support of House Bill 331.

OF LAKE OBUNTY COMMISSIONERS: Bill Barron, Member

County of Valley State of Montana

Valley County Environmental Health Department

501 Court Square, Box 11 Glasgow, MT 59230-0202

Cameron Shipp, R.S. County Sanitarian/Floodplain Administrator

Tracie Vaughn Administrative Assistant

February 2, 2009

Attn: Representative Elsie Arntzen, Chair and members of the Local Government Committee

Re; H.B. 331

Dear Chair and members of the Local Government Committee,

Valley County Environmental Health Department is in support of H.B. 331. My department represents small counties across Montana with minimal staff, many with one sanitarian. Many counties have been faced with increasing expenses that translates into less money to do what we, as sanitarians are required to do through mandated state laws.

The fees the counties receive from the licensed establishments aids in offsetting the costs of day-to-day expenses that it takes to manage the inspections needed to protect public health.

An increase in fees will help in justifying more time towards food safety classes for food establishment employees, additional inspections in high risk establishments, etc. It seems that justification where the money goes in each department is a large function of government. If areas are not funded adequately then those programs are lacking. H.B. 331 is positive for us and will aid in maintaining and improving programs.

If H.B. 331 is passed it will allow more flexibility in establishing fees and improve the overall structure of these mandated programs.

Best Regards

Cam Shipp R.S.

Phone: (406) 228-6264

Fax: (406) 228-6242

From: "Barbara Woodbury" < bwoodbury@parkcounty.org>

Subject: Support for HB 331

Date: February 5, 2009 8:41:09 AM MST To: <emcgowanfincham@mt.neb

1 Attachment, 5.5 KB Save Slideshow

Representatives,

I wanted to write you in support of HB 331. Taking the license fees out of statute and placing them into rule will make it easier for the fees to be adjusted with the cost of the program as needed. Funding the food inspection program pays for the inspection process, but it also pays for us to be resources for these facilities. We not only conduct inspections, but we conduct educational activities, plan reviews, and other services. As a sanitarian I am well aware that food borne illness present a real danger to the health of the citizens I serve. I want to thank you for sponsoring this bill and for helping the local health departments to fund adequate programs for all of our licensed establishments.

Sincerely,

Barbara Woodbury, R.S.

Barbara Woodbury, R.S., M.P.H.

Director of Environmental Health

Park City-County Health Dept.



Flathead City-County Health Department

1035 First Ave. West Kalispell, MT 59901 (406) 751-8101 FAX 751-8102 www.flatheadhealth.org Community Health Services
751-8110 FAX 751-8111
Environmental Health Services
751-8130 FAX 751-8131
Reproductive Health Services
751-8150 FAX 751-8151
Home Health Services
751-6800 FAX 751-6807
WIC Services
751-8170 FAX 751-8171

February 3, 2009

Representative Scott Reichner Montana House of Representatives Capital Station Helena, MT 59620

Re: HB 331

Dear Representative Reichner,

As a Flathead area representative and a member of the House Appropriations Committee I hope to draw your attention to the importance of passing HB 331. HB 331 establishes fee setting for food service establishments, public accommodations and trailer courts/RV parks as a rule-making process.

Fee setting in rule is, by far and away, the norm for establishing state-wide fees in Montana. The administrative rule process establishes a means and requirement for public/industry participation in the process. It will allow expanded public participation that may establish a more equitable approach to the fees. A small, limited service food service establishment pays the same as fees as the largest restaurant in the Flathead.

The Flathead City-County Health Department is responsible for the inspection of these state-licensed facilities. The fees collected and reimbursed to local health departments cover only a small portion of the costs of complying with the inspection requirement set by the state. In Flathead County, reimbursed fees cover no more than 38% of the overall program costs and it would be a much smaller portion if we were not able to incorporate this service with other public health programming. I'm sure you realize that we make up the difference in revenue with property tax dollars.

We urge your support for HB 331. If you have any questions regarding this matter please call me at 751-8103.

Sincerely,

Joseph W. Russell, R.S., M.P.H.

Health Officer



HB 331 – Revise laws relating to licensed establishments for health purposes.

Sponsored by Representative Penny Morgan

Purpose: HB 331 would authorize and set rule-making parameters for the Department of Public Health and Human Services to establish fees for the licensing and inspection of food establishments, public accommodations, trailer parks, and campgrounds. State statute currently sets the license and inspection fees for these mandated programs. Administrative rule-making would address the following longstanding problems associated with the current fee structure:

Current Situation:

- Fees are inequitably assessed. Large, complex operations (box store with a deli, bakery, meat counter, restaurant and grocery) and small to moderate-sized, simple operations (coffee shop, local restaurant, bar) pay the same \$90 annual licensing fee. Likewise, a large convention-type hotel and a small motel pay the same \$40 annual public accommodation licensing fee. (Only smallest food licensees with no more than 3 employees pay \$60 fee.)
- Majority of costs are being paid by local governments. Only 25% of the cost to conduct state mandated inspection and licensing is covered by the current fee structure; the remaining costs are borne by local governments. A 2008 survey of Montana counties, in which 68% of counties participated, showed that over \$2 million of the licensing and inspection costs are paid by local government.
- Fee structure threatens public health. When counties cannot cover the cost of licensing and inspection, the actions required to protect the public's health and our tourism industry are left undone. Counties that do supplement the licensing and inspection fees to carry out the mandate must divert local tax dollars from other necessary public health activities, such as immunizations, to do so.

Necessity of policy change:

- Each local health department has been surveyed on the costs to run their licensed establishment programs. As of December 31, 2008, 68% of the counties, representing 90% of the state's population, have responded. The data demonstrated that only 25% of local costs are reimbursed by fees, costing local health departments over \$2 million in local taxes annually to carry out this state mandate.
- State law mandates local health departments inspect all licensed establishments within their jurisdiction at least once a year. License fees do not cover the costs of inspection or other aspects of the program such as operator education and inspector training. Yet, current statute limits what money can be collected locally.

Benefits of Montana's Licensed Establishment Program:

- Montana's licensed establishment program prevents foodborne illness. The Centers for Disease Control and Prevention (CDC) estimates that each year there are as many as 76 million cases of foodborne illness resulting in 325,000 hospitalizations and 5,000 deaths in the United States.
- Montana's licensed establishment program protects our food supply. Our nation's food supply is increasingly produced, processed and handled in central locations, a practice that has given rise to cross-contamination of food products wherein the final safeguard against foodborne illness rests in safe handling (proper sanitation and thorough cooking) before consumption.
- Montana's licensed establishment program protects consumers. By enforcing regulations ranging from requiring clean sheets between guests to eradication of bed bugs to clean water and adequate sewer systems, Montana's licensed establishment program helps protect consumer safety in hotels, motels, trailer courts and campgrounds.

Key Provisions of HB 331

- HB 331 changes four statutes affecting: retail food establishments; public accommodations; trailer courts and campgrounds; and wholesale food establishments.
- HB 331 creates parameters for DPHHS to establish license fees in rule, instead of onesize-fits-all fee amounts set in statute.
- HB 331 sets a minimum licensing and inspection fee which is equal to the current fee of \$90 and limits licensing and inspection fees to being no more than the cost of the program, which must be verified during rule-making.
- HB 331 requires licensing and inspection fees to be equitable and based on available information. The bill also lists factors upon which to base the fees specific to the type of establishment in each statute.
- HB 331 no longer exempts from licensing food service in hotels and motels which serve only their guests. Currently, hotels and motels providing complimentary breakfasts and/or "happy hour" food are exempt from paying a licensing and inspection fee. However, these establishments are inspected by local public health.
- HB 331 addresses county payments from the local Board of Health inspection fund. Current language requires that this money be used to supplement, not supplant other funds counties receive "for the same purpose." Because Counties have had to supplement the costs of performing state mandated licensing and inspection costs with local tax revenues, it is inevitable that some local tax money will by supplanted by increased license fees. HB 331 provides that local Board of Health inspection funds may only be used for the licensed establishment program.
- HB 331 requires that all licensees be notified when rule-making is proposed.

AMPHO, the Association of Montana Public Health Officials, is the lead organization proposing the restructuring of state mandated licensing and inspection fees. AMPHO is committed to working with DPHHS and licensees to equitably restructure fees through administrative rule-making. HB 331 is supported by the Montana Association of Counties.